

# Rural America Entering the 21<sup>st</sup> Century: Forces of Change



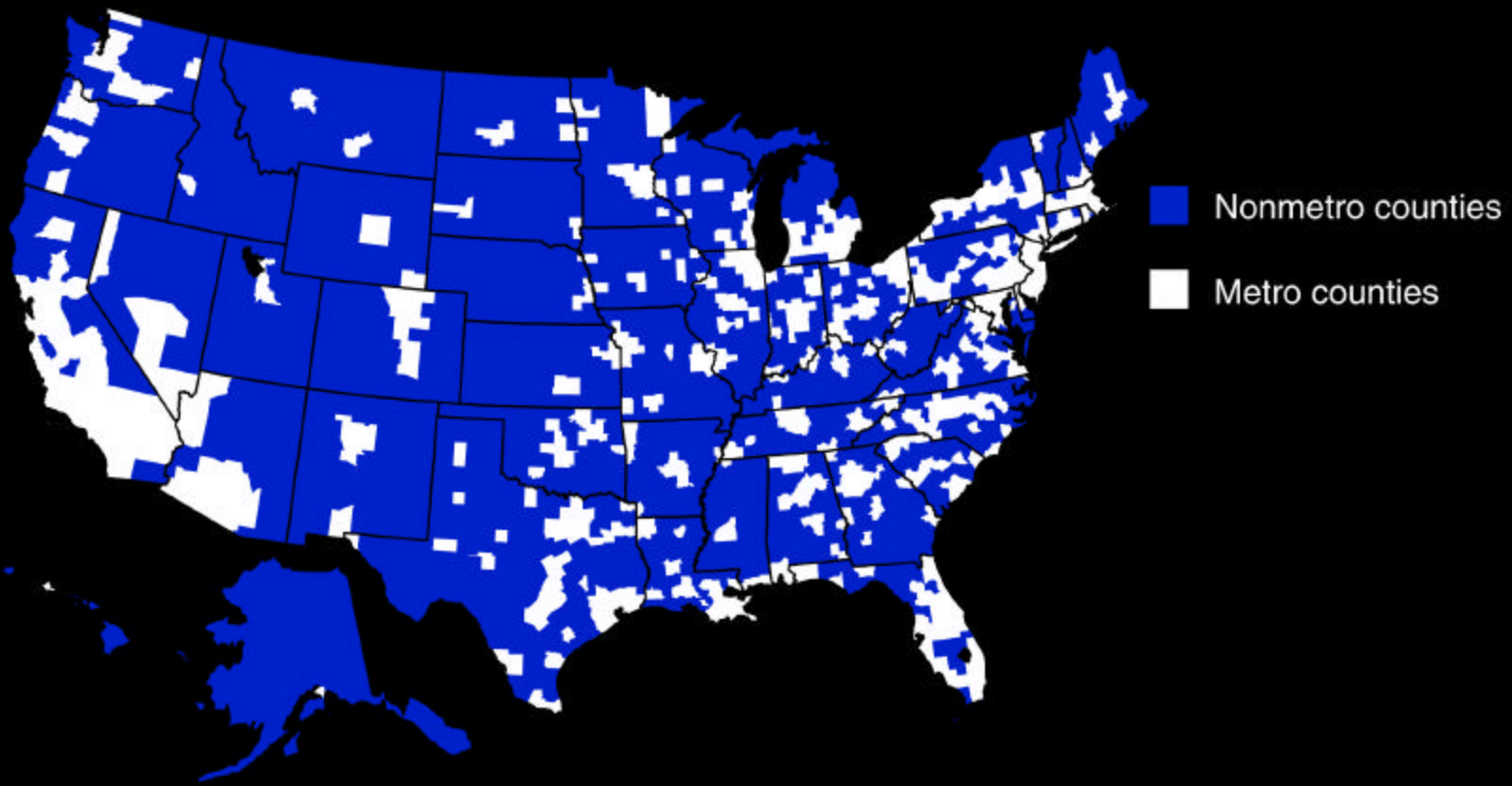
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U.S. Department of Agriculture*

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# What is Rural?

Rural America is home to 56 million of the Nation's people



Source: Prepared by ERS using Census of Population data.

# Forces shaping Rural America

- Changing demographics
- Health of the economy
- Industrial restructuring
- Policy forces
- Changing technology and knowledge

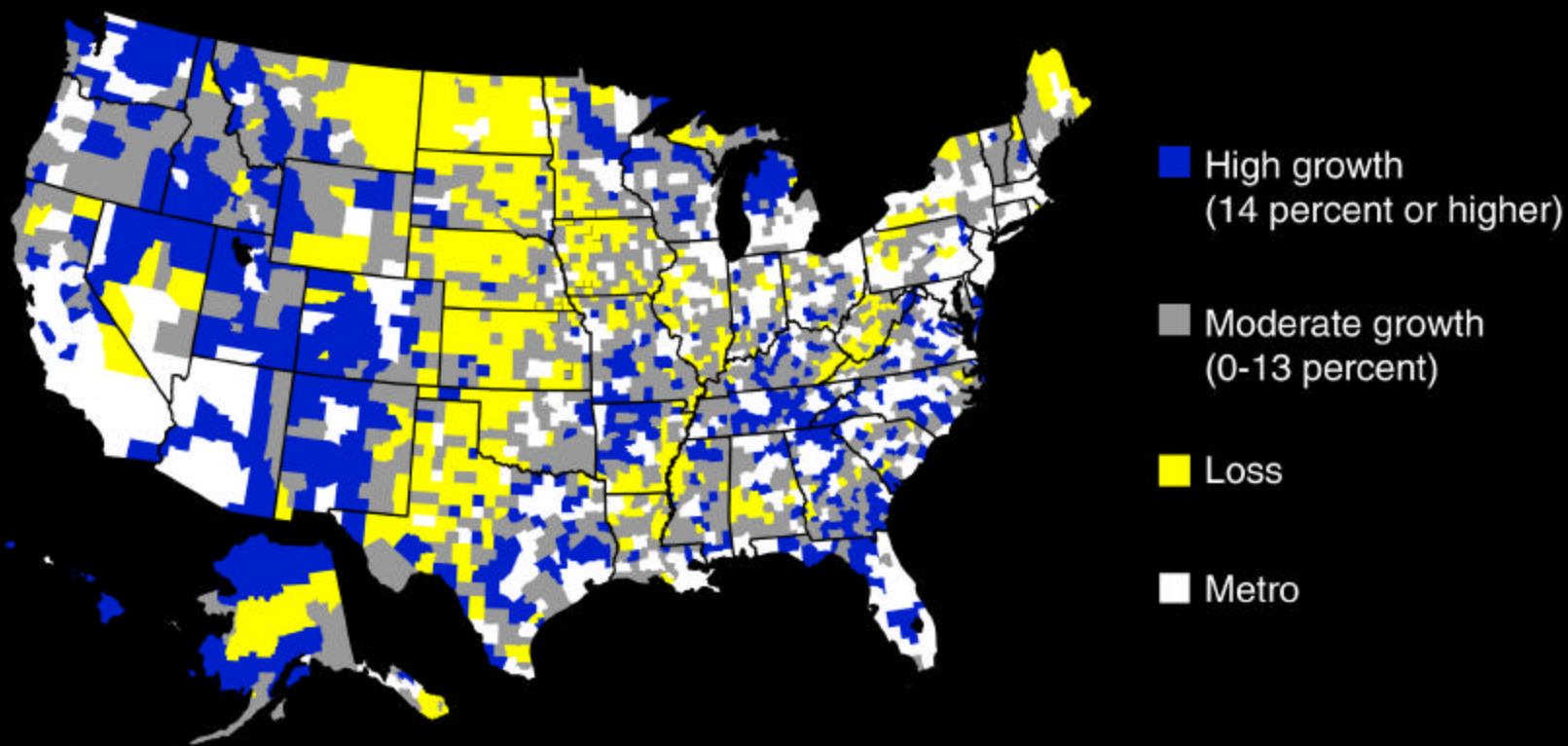




# Changing demographics

Population change varies widely across rural America

Nonmetro population change, 1990-2000

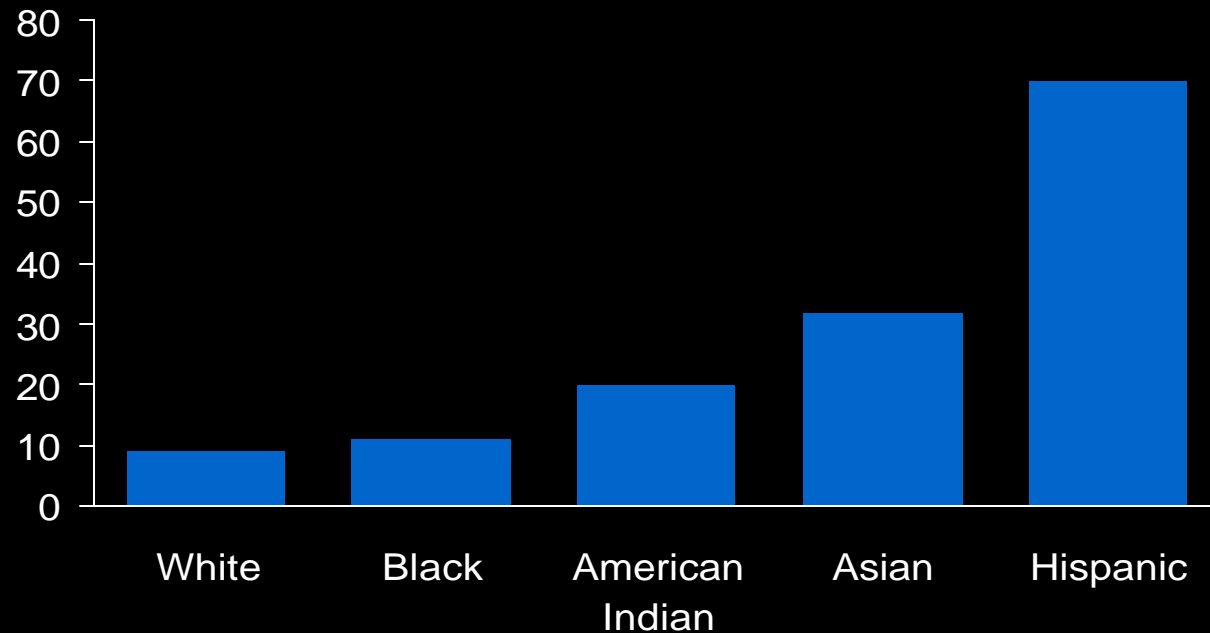


Source: Prepared by ERS using Census of Population data.

# Changing demographics

Hispanics are the fastest growing racial/ethnic group in rural America

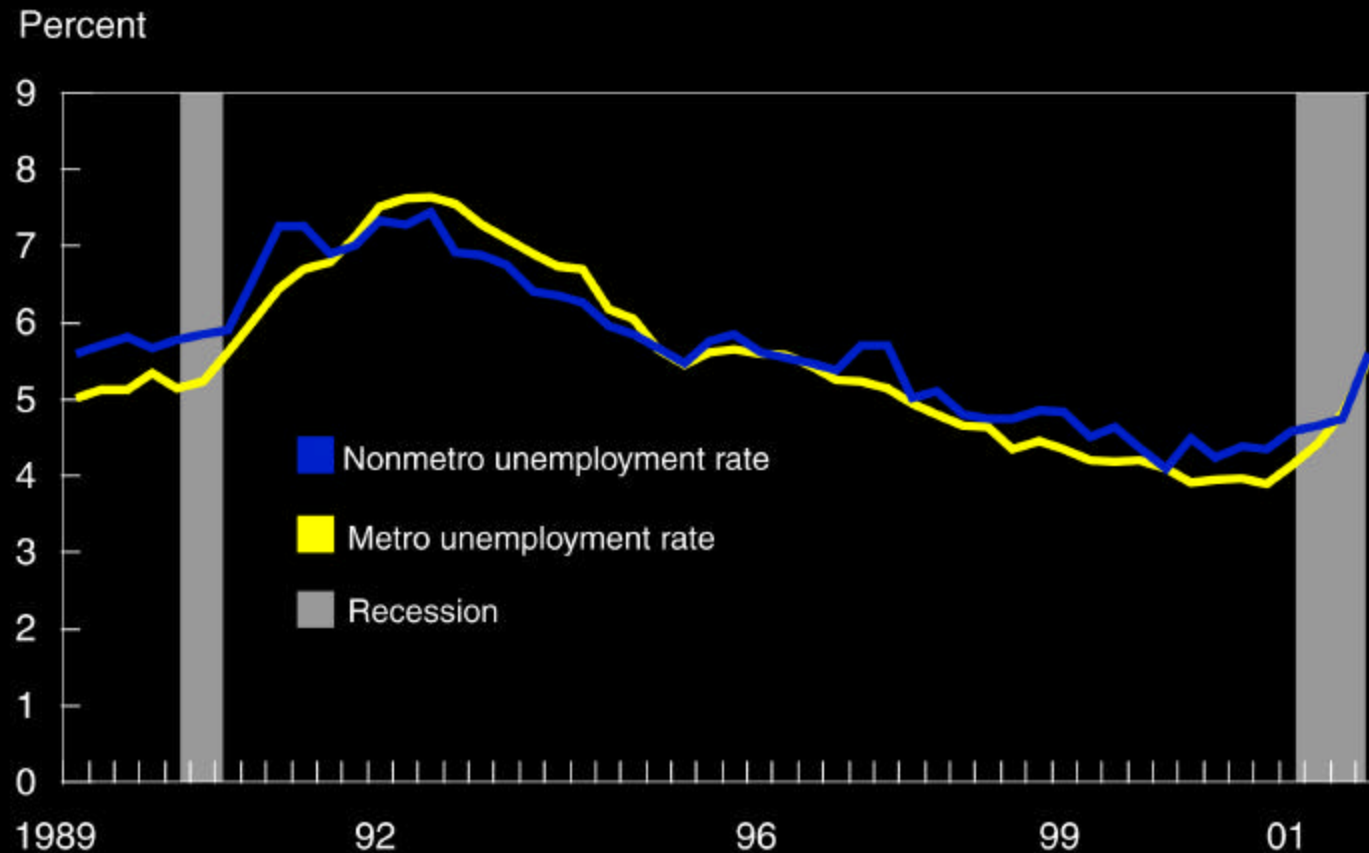
Percent nonmetro population change, 1990-2000



Source: Prepared by ERS using Census of Population data.

# Health of the economy

Unemployment rates rise during recession

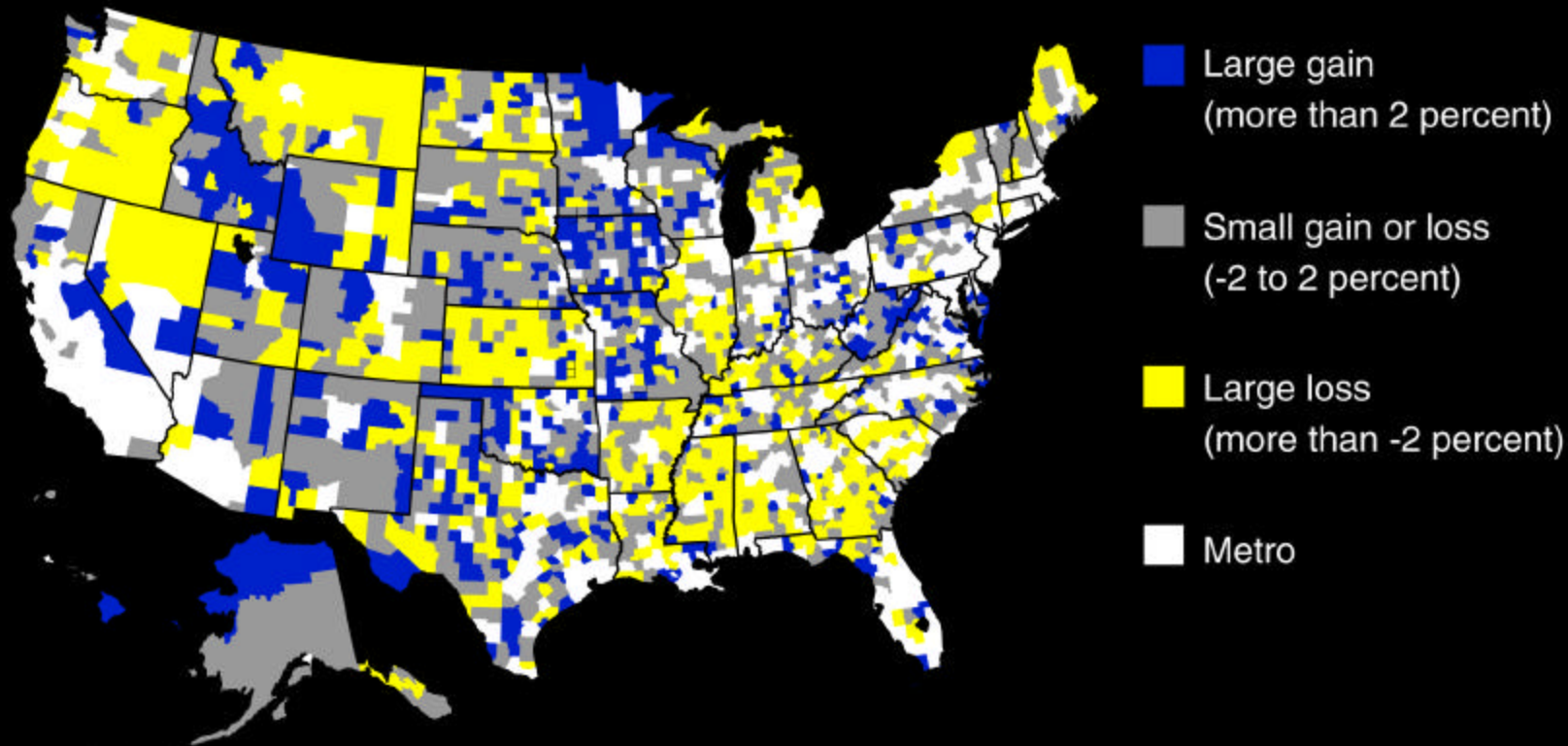


Source: Prepared by ERS using Current Population Survey data.

# Health of the economy

Large employment losses in the rural South and Northwest

Nonmetro employment change, 2000-2001



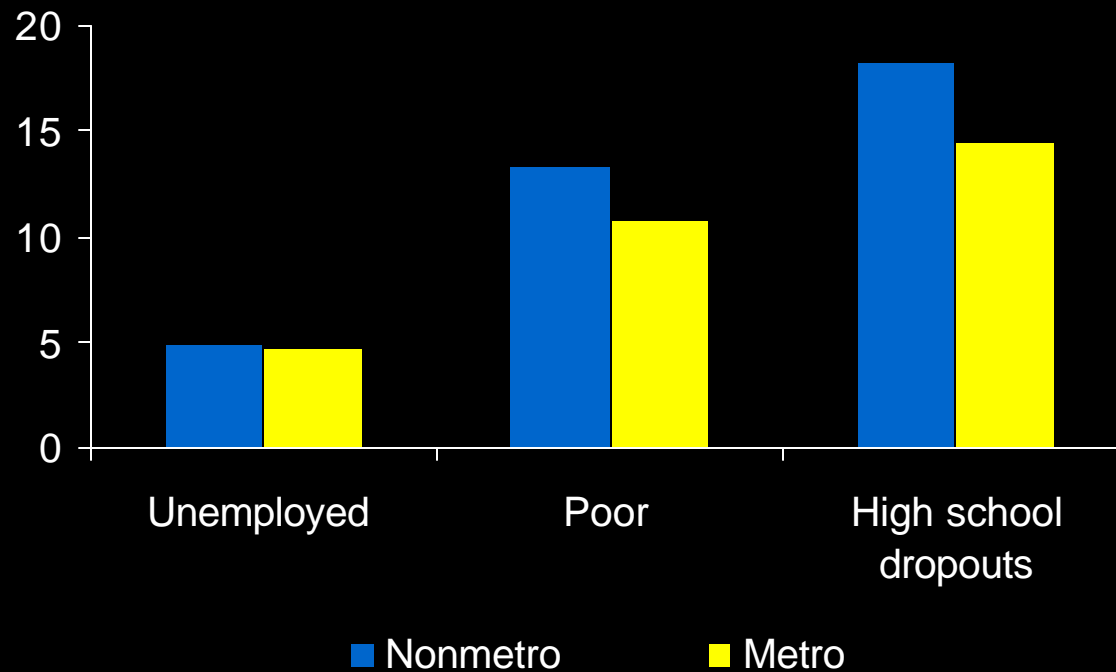
Source: Prepared by ERS using Bureau of Labor Statistics data.



# Health of the economy

Rural areas do not fare as well as urban areas on many key indicators

Percent of population



Source: Prepared by ERS using 2001 Current Population Survey data.

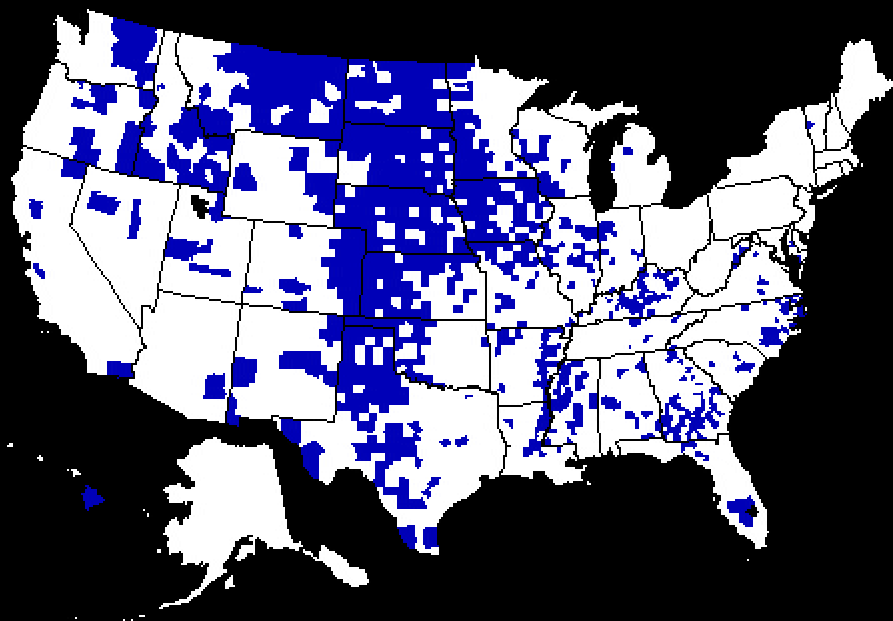


# Industrial restructuring

Farm earnings in local economies are less important now than 30 years ago

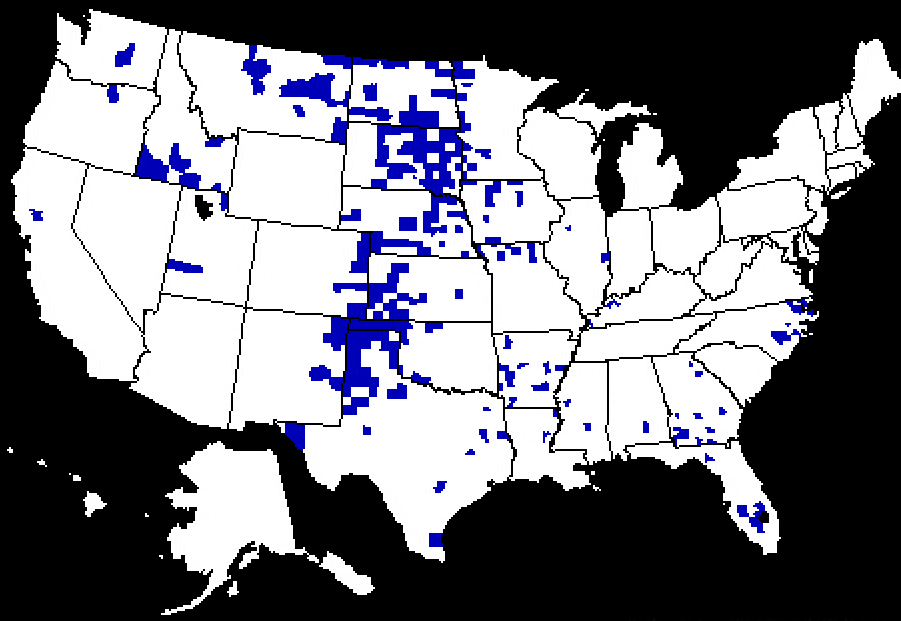
1969

Farming accounted for 20 percent or more of earnings in **935** nonmetro counties



1999

Farming accounted for 20 percent or more of earnings in only **262** nonmetro counties

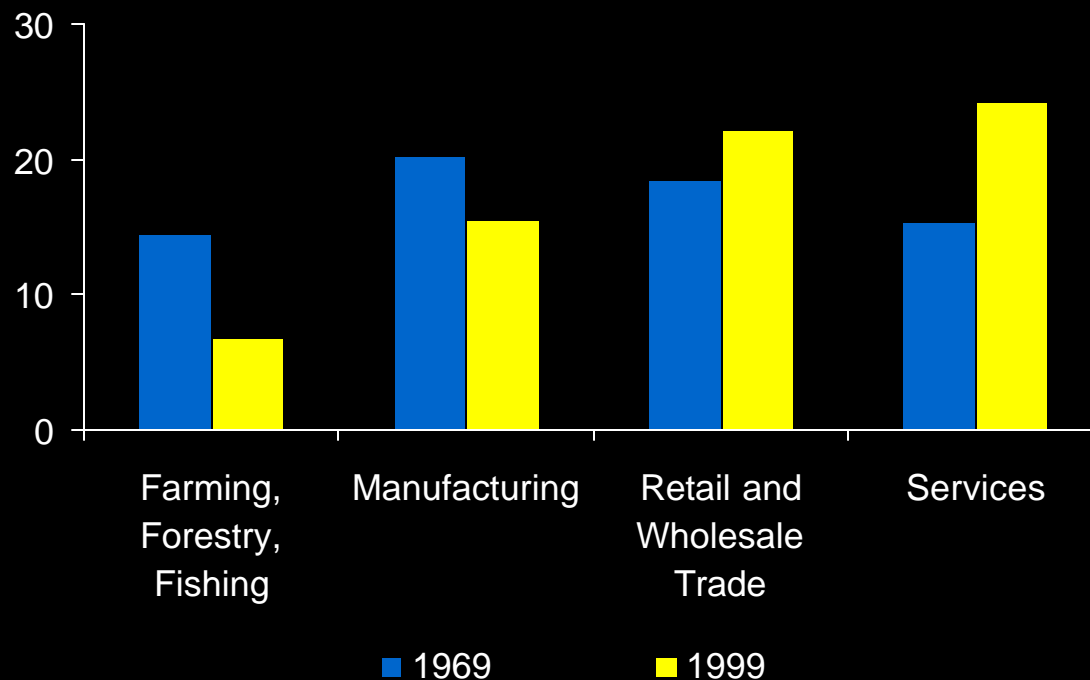


Source: Prepared by ERS using Bureau of Economic Analysis data.

# Industrial restructuring

Farming and manufacturing jobs fall, trade and service jobs increase in rural areas

Percent of nonmetro employment



Source: Prepared by ERS using Bureau of Economic Analysis data.

# Industrial restructuring

Basic assets offer opportunities for improved sustainability

- Natural amenities for tourism, retirement, and recreation
- Labor and land for manufacturing, prisons, health facilities
- Natural resources for farming, forestry, and mining



# Policy forces

## Welfare reform: Devolution and local capacity

- Established TANF
- Limited lifetime benefits
- Required work activities
- Devolved authority to States





# Policy forces

Local capacity differences lead to smaller rural effects

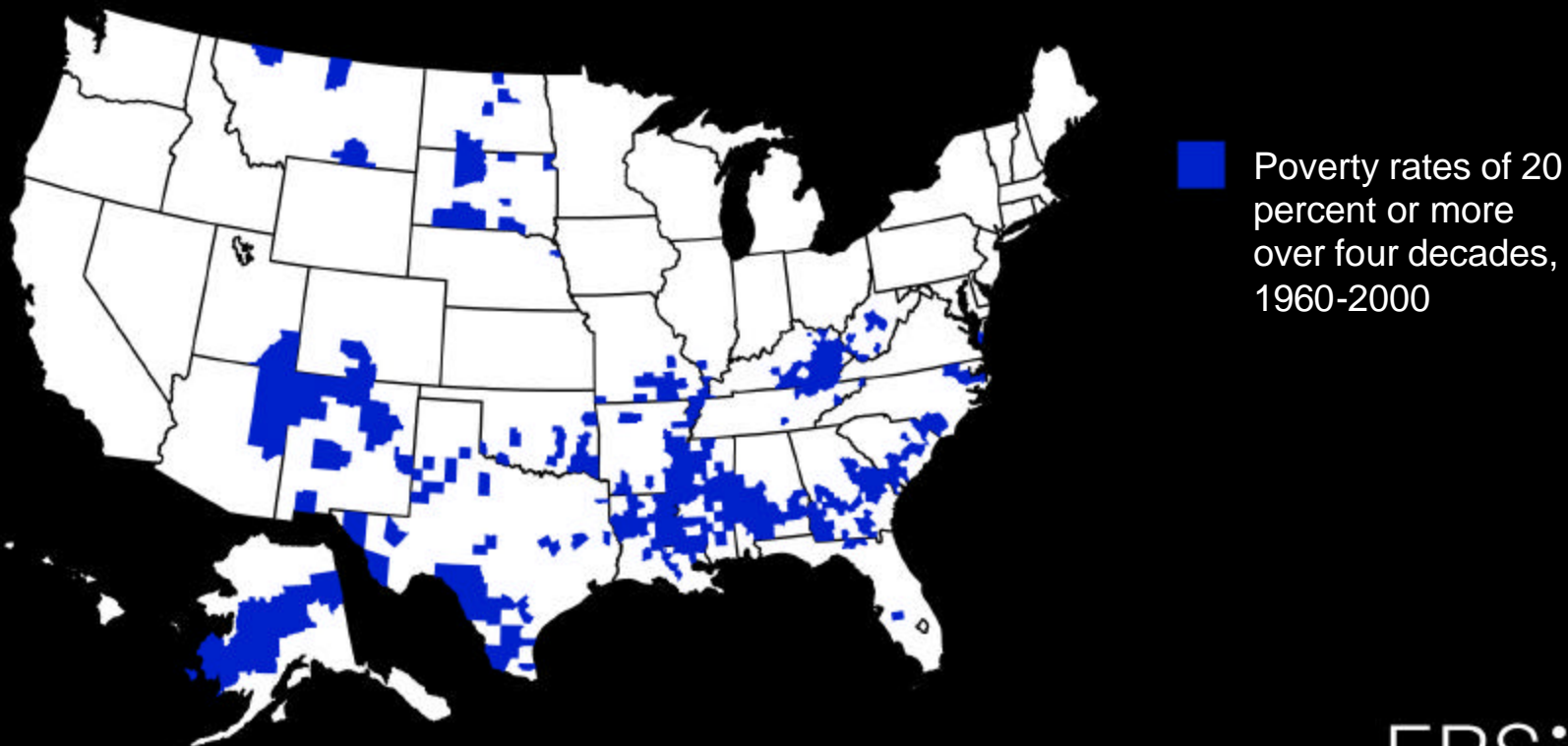
- State program operation
- Structure of opportunities
- Work support services
- Recipient characteristics



# Policy forces

Welfare reform has been less successful in poor and remote rural areas

Consistently high poverty counties contain 24 percent of the nonmetro poor

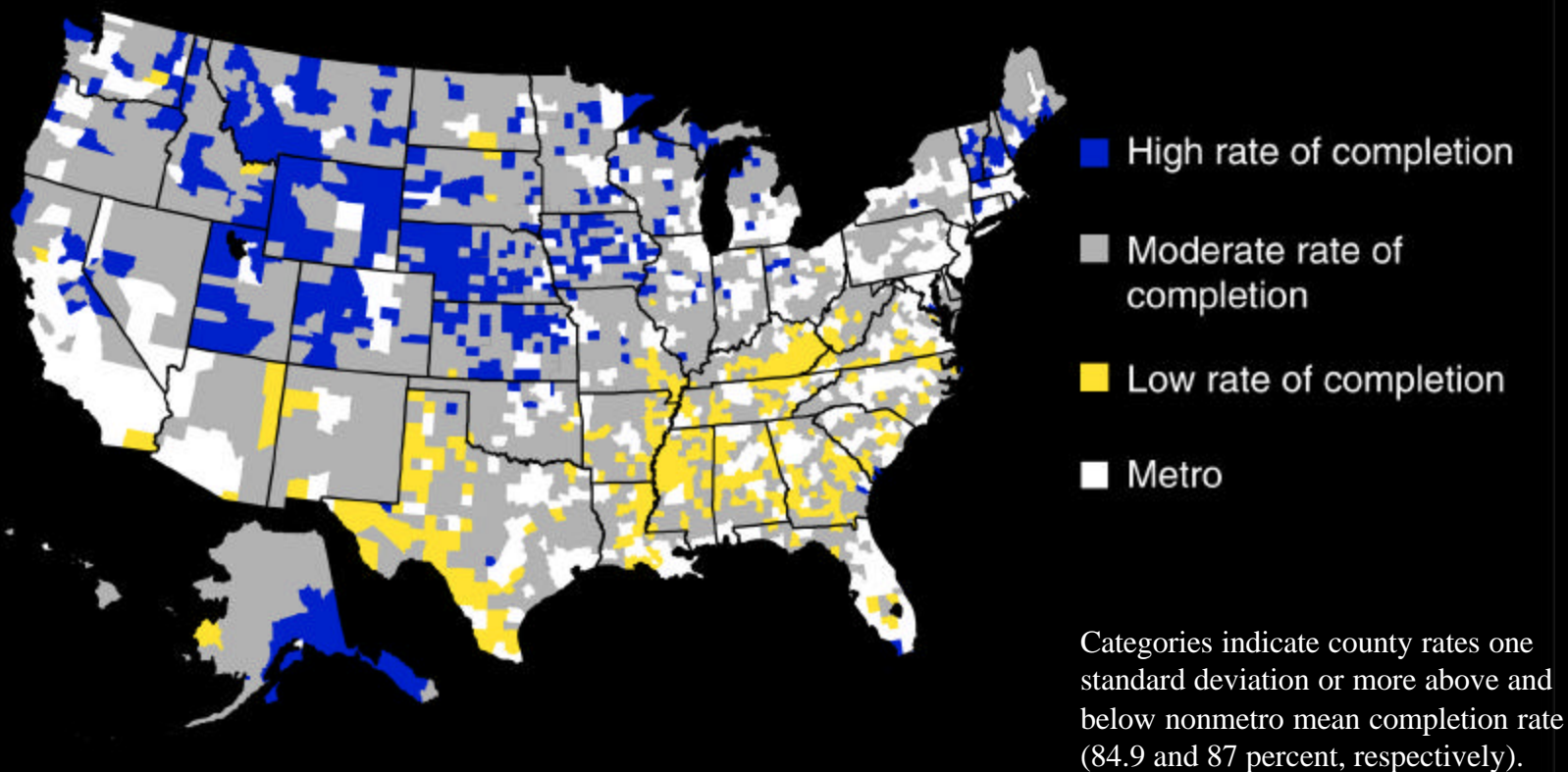


Source: Prepared by ERS using Census of Population data.

# Technology and knowledge

Much of the rural South is characterized by low education

Percent of nonmetro adults completing high school, 2000

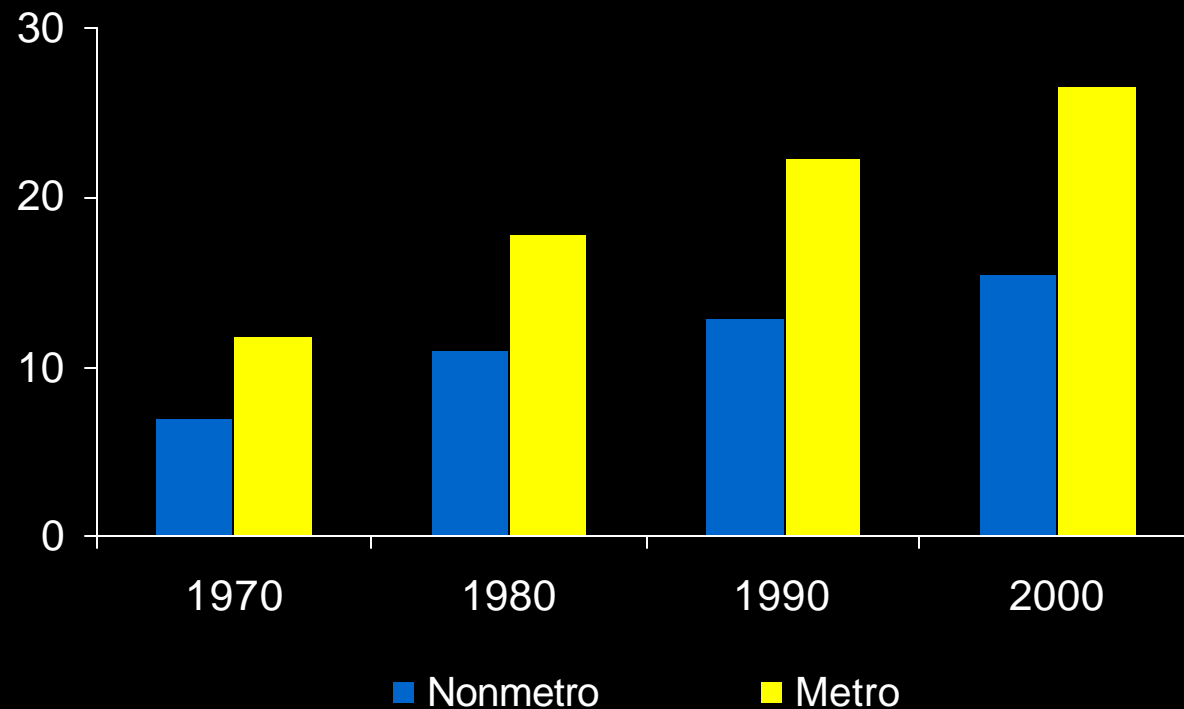


Source: Prepared by ERS using Census of Population data.

# Technology and knowledge

The rural-urban gap in college completion widens

Percent completing college



Source: Prepared by ERS using Census of Population data.





# Key principles for rural development

- Rural America is diverse and changing
- Rural policy is not synonymous with agricultural policy
- Rural America has prospered, but continues to face challenges





# Key principles for rural development

- Enhanced sustainability depends on innovative income generation
- Rural issues are most effectively addressed at local and State levels
- Improved education is key to rural development



# Key principles for rural development

- Educational institutions play an important role in attracting businesses
- The future is a local, State, and National concern

